

(4) Academic disciplines, such as linguistics or sociology.

(5) Professional studies, such as business, law, or education;

(6) Particular subjects, such as population growth and planning, or international trade and business.

(7) A combination of any of these categories.

(b) The Secretary announces any priorities in the application notice published in the FEDERAL REGISTER.

(Authority: 20 U.S.C. 1122)

Subpart D—What Conditions Must Be Met by a Grantee and a Fellow?

§ 657.30 What is the duration of and what are the limitations on fellowships awarded to individuals by institutions?

(a) *Duration.* An institution may award a fellowship to a student for—

(1) One academic year; or

(2) One summer session if the summer session provides the fellow with the equivalent of one academic year of modern foreign language study.

(b) *Vacancies.* If a fellow vacates a fellowship before the end of an award period, the institution to which the fellowship is allocated may reaward the balance of the fellowship to another student if—

(1) The student meets the eligibility requirements in § 657.3; and

(2) The remaining fellowship period comprises at least one full academic quarter, semester, trimester, or summer session as described in paragraph (a)(2) of this section.

(Authority: 20 U.S.C. 1122)

§ 657.31 What is the amount of a fellowship?

(a)(1) An institution shall award a stipend to fellowship recipients.

(2) Each fellowship includes an institutional payment and a subsistence allowance to be determined by the Secretary.

(3) If the institutional payment determined by the Secretary is greater than the tuition and fees charged by the institution, the institutional payment portion of the fellowship is limited to actual tuition and fees. The dif-

ference between actual tuition and fees and the Secretary's institutional payment shall be used to fund additional fellowships to the extent that funds are available for a full subsistence allowance.

(4) If permitted by the Secretary, the fellowship may include an allowance for travel and an allowance for dependents.

(b) The Secretary announces in an application notice published in the FEDERAL REGISTER—

(1) The amounts of the subsistence allowance and the institutional payment for an academic year and the subsistence allowance and the institutional payment for a summer session;

(2) Whether travel and dependents' allowances will be permitted; and

(3) The amount of travel and dependents' allowances.

(Authority: 20 U.S.C. 1122)

§ 657.32 What is the payment procedure for fellowships?

(a) An institution shall pay a fellow his or her subsistence and any other allowance in installments during the term of the fellowship.

(b) An institution shall make a payment only to a fellow who is in good standing and is making satisfactory progress.

(c) The institution shall make appropriate adjustments of any overpayment or underpayment to a fellow.

(d) Funds not used by one recipient for reasons of withdrawal are to be used for alternate recipients to the extent that funds are available for a full subsistence allowance.

(Authority: 20 U.S.C. 1122)

§ 657.33 What are the limitations on the use of funds for overseas fellowships?

(a) Before awarding a fellowship for use outside the United States, an institution shall obtain the approval of the Secretary.

(b) The Secretary may approve the use of a fellowship outside the United States if the student is—

(1) Enrolled in an overseas foreign language program approved by the institution at which the student is enrolled in the United States for study at an intermediate or advanced level or at